



WASHOE COUNTY
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CM/ACM *KS*
Finance *CC*
DA N/A
Risk Mgmt N/A
HR N/A

STAFF REPORT
BOARD MEETING DATE: OCTOBER 14, 2014

DATE: September 18, 2014
TO: Board of County Commissioners
FROM: Michael L Sullens, Purchasing and Contracts Manager
775-328-2281, msullens@washoecounty.us
THROUGH: Paul McArthur, Comptroller
775-328-2563, PMcArthur@washoecounty.us

SUBJECT: Award Washoe County Request for Proposal No. 2901-14 for Office Supplies to up to three qualified proposers, Office Depot/Max, Metro Office Solutions, and It's My Community Store, who will provide office supplies and copy paper to various County departments on an as-required basis for a one year period, with the County retaining two (2) single year renewal options, in the estimated annual amount of \$570,000.00. (All Commission Districts)

SUMMARY

Award Washoe County Request for Proposal No. 2901-14 for Office Supplies to up to three qualified proposers, Office Depot/Max (ODM), Metro Office Solutions (Metro), and It's My Community Store (IMCS) who will provide office supplies and copy paper to various County departments on a requirements basis for a one year period with the County retaining two (2) single year renewal options, in the estimated annual amount of \$570,000.00.

Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

PREVIOUS BOARD ACTION

On October 10, 2006, the Board approved utilization of the OfficeMax Contact with Oakland County, Michigan Contract B0286538 (America Saves) and State of Nevada Bid 7155, which included My Office Products and OfficeMax for a period of three years, 10/6/2006 through 10/6/2009, Board of County Commissioners approval #06-1117.

On April 27, 2010, the Board approved extending the joinder with Oakland County, Michigan Contract 001260 (America Saves), for Office Supplies and Copy Paper through May 31, 2011 and any period of extensions.

On November 8, 2011, the Board approved the retention of OfficeMax, Inc., utilizing the joinder provision of the Oakland County, Michigan (America Saves Program) on an interim basis, and authorized the Purchasing Office to solicit new bids or enter into a new joinder agreement.

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PREVIOUS ACTION CONT.

On July 6, 2012, the Purchasing and Contracts Manager entered into a new joinder agreement with OfficeMax on behalf of Washoe County and the City of Reno for the remaining balance of the Oakland County, Michigan agreement through May 31, 2014.

BACKGROUND

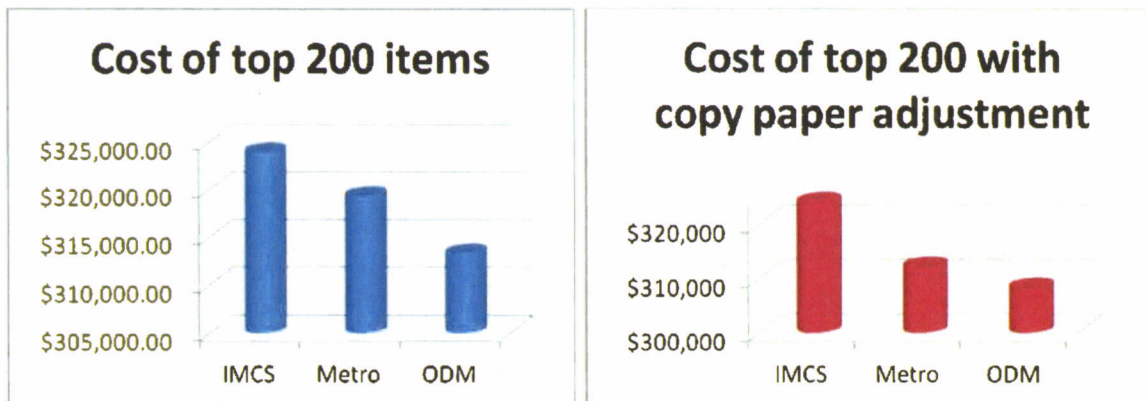
The Washoe County Purchasing Division advertised and released Request for Proposal (RFP) 2901-14 for Office supplies and consumables on June 5, 2014. A total of three proposals were opened and acknowledged in the Purchasing Office on July 3, 2014. Proposals were received from the following vendors:

It's My Community Store (IMCS)
325 Harbor Cove Drive #221
Sparks NV 89434

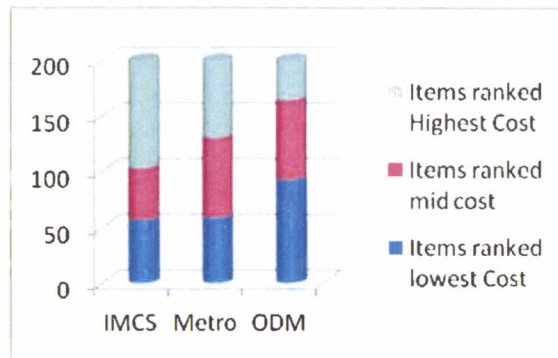
MetroOfficeSolutions (Metro)
22 Century Boulevard, Suite 402
Nashville, TN 37214

OfficeMax North America, Inc. (Office Depot/Max) (ODM)
263 Shuman Boulevard
Naperville, IL 60563

After review of the proposals submitted and considering the consolidated spend on 200 of the highest volume office supply items stated in the RFP, the County's cost would be the lowest at \$313,370 from ODM, followed by Metro at \$319,386, and IMCS at \$323,998. IMCS quoted virgin copy paper, not the 30% recycled paper specified on the bid. When comparing the total with all three quoting virgin copy paper, the consolidated spend would be ODM lowest at \$308,254, Metro at \$312,077 and IMCS at \$323,998. The overall spread between vendors is less than 5%.



In reviewing the individual lines, ODM was lowest or tied for lowest on 97 items, Metro on 59, and IMCS on 57.



All three proposals included rebates based on annual spend. Metro proposed a flat 2% rebate. Both ODM and IMCS offered rebate schedules, ranging from 1% to 4%, depending on spend. Additionally, IMCS offered to make a direct donation to a charity or charities of the County's choice of no less than 2% up to 8% of every order, on a quarterly basis.

Based on the County's estimated annual spend of \$570,000 for office supplies and copy paper, the County would qualify for a 3% rebate from either ODM or IMCS. ODM offered an additional 1% rebate for average order size of \$299 or greater. Washoe County's average order size was \$341 for fiscal year 2014.

The Washoe County Purchasing Division recommends selecting up to three vendors for providing contract pricing for the following reasons;

- No single low price vendor on all items selected
- Pricing spread between vendors was marginal, less than 5%
- Similar rebate programs and percentage rebates, depending on items selected and annual spend.
- Similar products offered and availability of delivery service
- Similar low price comparisons to assist employees with cost efficiency
- Based on industry standards of no price guarantee greater than six months, due to pulp pricing being so volatile and a key component of raw material
- Any department with a significant purchase can compare pricing from all three vendors to observe a more cost effective approach
- Utilizes a new Emerging Small Business (ESB) under the State of Nevada's Governor's Office of Economic Development with It's My Community Store who also offer to return 2% up to 8% of sales proceeds from each order back to the community by making direct donations to a charity or charities selected by the County
- Departments and all stakeholders will have selection and opportunity to meet any and all office supplies needs, while minimizing total costs when they order from the lowest priced supplier.

As noted none of the three vendors responding to the RFP were the low bidder for every item of the County's 200 high usage items, and the spread from the lowest to the highest proposer was less than 5%. Depending on the actual mix and quantities of items purchased, any of the three vendors have the potential to be the low bidder on a particular order.

While the rebate percentage offered may be less by splitting the award between up to three vendors, departments will have more incentive to shop among the selected vendors because the

savings they realize may far exceed the rebate amount which accrues to the general fund and is not returned to the departments. Selecting up to three vendors will maximize savings opportunities, support emerging small business, and provide additional community support. For these reasons, it is recommended that the Board approve up to three vendors to meet the office supply and copy paper requirements of the County over the next one to three years.

Further savings may be achieved if departments implement price checking on significant office supply orders from among the contracted vendors; consider ordering the best value items, "green" items, and optimizing order quantity and packaging when placing orders for office supplies.

Both ODM and Metro currently have contracts with the State of Nevada for office supplies, as does Staples, who did not submit a proposal for the County's requirements. The Western States Contracting Alliance (WSCA) recently rebid the office supply contract on behalf of a number of States including Nevada, and the results have yet to be released at the time of this recommendation.

FISCAL IMPACT

Funds for Office Supplies are approved in expenditure account #710350 for all Washoe County departments, divisions and agencies in FY14/15, and are anticipated to be requested and approved for FY 15/16 and FY16/17. Total annual expenditures for office supplies and copy paper with the contracted vendor are estimated at \$570,000.

RECOMMENDATION

Award Washoe County Request for Proposal No. 2901-14 for Office Supplies to up to three qualified proposers, Office Depot/Max, Metro Office Solutions, and It's My Community Store, who will provide office supplies and copy paper to various County departments on an as-required basis for a one year period, with the County retaining two (2) single year renewal options, in the estimated annual amount of \$570,000.00.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to award Washoe County Request for Proposal No. 2901-14 for Office Supplies to up to three qualified proposers, Office Depot/Max, Metro Office Solutions, and It's My Community Store, who will provide office supplies and copy paper to various County departments on an as-required basis for a one year period, with the County retaining two (2) single year renewal options, in the estimated annual amount of \$570,000.00.